

HEALTHSPRING, INC.

Issued their certificate of authority on 1/19/95

Changed the name from HealthNet HMO, Inc. to HealthSpring, Inc. on 9/28/01

ADDRESS:

44 Vantage Way, Suite 300 - Nashville, TN 37228-1550 - (615) 291-7000

WEBSITE ADDRESS:

www.myhealthspring.com

Service Area by County

West Tennessee Area: Fayette, Humphreys, Shelby, Stewart, Tipton and Wayne
Middle Tennessee Area: Bedford, Cannon, Cheatham, Coffee, Davidson, DeKalb, Dickson, Franklin, Hickman, Lawrence, Lewis, Macon, Marshall, Maury, Montgomery, Moore, Robertson, Rutherford, Smith, Sumner, Trousdale, Warren, Williamson, and Wilson
East Tennessee Area: Bradley, Hamilton, Grundy, and Marion

The Independent Review Organization for this HMO is KPMG Peat Marwick.

	Number Requested	Resolved in favor of member	Resolved in favor of HMO
IRO APPEALS			
year ending 12/31/2004	23	13	12
year ending 12/31/2003	22	18	4
year ending 12/31/2002	0	0	0
year ending 12/31/2001	0	0	0
year ending 12/31/2000	0	0	0
year ending 12/31/1999	0	0	0

HealthSpring Customer Service

If you have a complaint about your HealthSpring HMO, please call 1-800-881-9466 or 615-291-7022

HMO GRIEVANCE STATISTICS

NUMBER OF GRIEVANCES/INQUIRIES FOR of the grievances reported **80%** were resolved successfully

2004

of the grievances reported **20%** were resolved adversely

CATEGORY	Number of Inquiries to the HMO	Number of written grievances	Number of resolved grievances	Number of adverse decisions	Number of successful resolutions
1) availability/delivery of service	3674	0	0	0	0
2) claim payment/amount of payment	5708	82	82	1	81
3) contract terms and conditions	9230	153	153	41	112
4) other	0	15	15	7	8
TOTAL	18612	250	250	49	201

**NUMBER OF GRIEVANCES/INQUIRIES FOR
2003**

of the grievances reported **81%** were resolved successfully
of the grievances reported **19%** were resolved adversely

CATEGORY	Number of Inquiries to the HMO	Number of written grievances	Number of resolved grievances	Number of adverse decisions	Number of successful resolutions
1) availability/delivery of service	1214	0	0	0	0
2) claim payment/amount of payment	2292	225	225	75	150
3) contract terms and conditions	7711	30	30	23	7
4) other	0	0	0	0	0
TOTAL	11217	255	255	98	157

**NUMBER OF GRIEVANCES/INQUIRIES FOR
2002**

of the grievances reported **62%** were resolved successfully
of the grievances reported **38%** were resolved adversely

CATEGORY	Number of Inquiries to the HMO	Number of written grievances	Number of resolved grievances	Number of adverse decisions	Number of successful resolutions
1) availability/delivery of service	292	0	0	0	0

2) claim payment/amount of payment	329	342	342	85	257
3) contract terms and conditions	3796	0	0	0	0
4) other	0	0	0	0	0
TOTAL	4417	342	342	85	257

NUMBER OF GRIEVANCES/INQUIRIES FOR 2001

of the grievances reported **75%** were resolved successfully
of the grievances reported **25%** were resolved adversely

CATEGORY	Number of Inquiries to the HMO	Number of written grievances	Number of resolved grievances	Number of adverse decisions	Number of successful resolutions
1) availability/delivery of service	292	0	0	0	0
2) claim payment/amount of payment	329	342	342	85	257
3) contract terms and conditions	3796	0	0	0	0
4) other	0	0	0	0	0
TOTAL	4417	342	342	85	257

NUMBER OF GRIEVANCES/INQUIRIES FOR 2000

of the grievances reported **75%** were resolved successfully
of the grievances reported **25%** were resolved adversely

CATEGORY	Number of Inquiries to the HMO	Number of written grievances	Number of resolved grievances	Number of adverse decisions	Number of successful resolutions
1) availability/delivery of service	1303	0	0	0	0
2) claim payment/amount of payment	11917	251	251	69	182
3) contract terms and conditions	514	0	0	0	0
4) other	0	0	0	0	0
TOTAL	13734	251	251	69	182

NUMBER OF GRIEVANCES/INQUIRIES FOR 1999

of the grievances reported **77%** were resolved successfully

of the grievances reported **22%** were resolved adversely

CATEGORY	Number of Inquiries to the HMO	Number of written grievances	Number of resolved grievances	Number of adverse decisions	Number of successful resolutions
1) availability/delivery of service	2,506	0	0	0	0
2) claim payment/amount of payment	19,397	613	610	105	500
3) contract terms and conditions	26,612	78	77	44	33
4) other	4,024	8	5	3	0
TOTAL	52,539	699	692	152	533

1998 GRIEVANCES/INQUIRIES

of the grievances reported **86%** were resolved successfully
of the grievances reported **14%** were resolved adversely

CATEGORY	Number of Inquiries to the HMO	Number of written grievances	Number of resolved grievances	Number of adverse decisions	Number of successful resolutions
1) availability/delivery of service	340	0	0	0	0
2) claim payment/amount of payment	747	169	169	26	143
3) contract terms and conditions	1762	638	638	88	550
4) other	56	12	12	1	11
TOTAL	2905	819	819	115	704

Please Note: an adverse decision indicates a decision against a member, not that the HMO was incorrect
a succesful resolution means the grievance was resolved to the members satisfaction

10 YEAR MEMBER ENROLLMENT STATISTICS

Year	Individual Members	Medicare members	Group members	Number groups	TOTAL members	Average Annual
ending 12/31/04	0	29,862	32,139	390	62,001	60,573
ending 12/31/03	1	25,772	32,667	291	58,440	56,220
ending 12/31/02	0	22,964	30,421	269	53,385	50,349
ending 12/31/01	4	17,471	22,947	250	40,418	37,949

ending 12/31/00	0	12,284	22,555	222	34,839	
ending 12/31/99	0	7,712	24,298	236	32,010	31,023
ending 12/31/98	0	5,542	24,290	281	29,832	29,832
ending 12/31/97	9	2,834	24,357	318	27,200	28,936
ending 12/31/96	0	0	12,638	226	12,638	9,657
ending 12/31/95	0	0	2,046	35	2,046	1,247
ending 12/31/94	0	0	0	0	0	0

HealthSpring of TN, Inc. (formerly HealthSpring, INC.)

	As of 3/31/2005	As of 6/30/2005	As of 9/30/2005	As of 12/31/2005
ASSETS	42,041,516	41,827,174	77,867,461	56,029,139
LIABILITIES	31,304,005	30,236,516	63,878,047	56,029,139
TOTAL MEDICAL AND HOSPITAL EXPENSES	65,998,800	141,432,678	224,092,298	313,061,150
TOTAL ADMINISTRATIVE EXPENSES	15,413,366	31,982,485	50,632,115	73,551,670
UNCOVERED EXPENSES	2,900,378	7,541,187	14,199,545	21,644,268
PREMIUMS NON TN CARE	82,704,634	174,214,543	279,319,312	391,411,514
TOTAL CAPITAL AND SURPLUS	10,737,511	11,590,658	13,988,514	16,203,983
NET INCOME	1,041,370	924,554	3,679,515	4,291,446
RATIO OF MEDICAL EXPENSES TO PREMIUMS	79.80%	81.18%	80.23%	79.98%
RATIO OF ADMINISTRATIVE EXPENSES TO PREMIUMS	18.64%	18.36%	18.13%	18.79%